PARRAMATTA CBD
A PERFECT STORM FOR RETAIL

This report was prepared for:

URBIS

SYDNEY BUSINESS CHAMBER
WESTERN SYDNEY

CITY OF PARRAMATTA

May 2017
TOP 10 REASONS RETAILERS SHOULD BE IN PARRAMATTA

1. Parramatta is already a major retail destination
   The second largest CBD in Sydney and the sixth largest in Australia, it contains an estimated 200,000 m² retail floorspace.

2. Major population and employment growth will drive spending
   Parramatta CBD is projected to add up to 14,500 new residents and 22,000 new jobs by 2026. Western Sydney is projected to add 433,000 new residents in total over the same period.

3. Capacity to sustain more shops
   Resident spending growth across Western Sydney is projected to increase by $12.28 billion between 2016-2026. This level of spending growth could sustain the equivalent of 1.5 new Westfield Parramatta shopping centres being built each year across Western Sydney.
<table>
<thead>
<tr>
<th>Rank</th>
<th>Reason</th>
</tr>
</thead>
<tbody>
<tr>
<td>4</td>
<td><strong>Sydney’s geographic centre is becoming even easier to visit</strong>  &lt;br&gt;Investment in transport infrastructure is making Parramatta even easier to visit. New light rail, ferry wharf, roads and potentially a second metro link will all make it even easier for people to shop in Parramatta.</td>
</tr>
<tr>
<td>5</td>
<td><strong>Youthful diverse and vibrant</strong>  &lt;br&gt;New cultural facilities, curated events, a new university campus and new schools will all add a youthful energy to Parramatta CBD. A strong youth demographic, coupled with more workers, students and residents will broaden the demand for new forms of retail and boost the evening economy.</td>
</tr>
<tr>
<td>6</td>
<td><strong>Competitive rents</strong>  &lt;br&gt;Retail rents in Parramatta CBD are significantly lower than those found in prime Sydney and Melbourne CBD locations. This creates a great opportunity to support emerging and expanding businesses.</td>
</tr>
<tr>
<td>7</td>
<td><strong>Public and private sector activity is providing certainty for investors</strong>  &lt;br&gt;Local and state government, together with the likes of Walker Corp, Meriton and Crown are currently investing billions of dollars in transformative projects which are reshaping Parramatta right now.</td>
</tr>
<tr>
<td>8</td>
<td><strong>Transformative projects are creating a unique City</strong>  &lt;br&gt;Numerous developments and initiatives are creating a diverse, modern CBD. These are city-shaping projects that offer exciting new retail opportunities.</td>
</tr>
<tr>
<td>9</td>
<td><strong>CBD retail is transforming</strong>  &lt;br&gt;A mix of new international retailers, funky cafés and small bars have started the Parramatta retail revolution. New entrants are creating a diversified retail mix.</td>
</tr>
<tr>
<td>10</td>
<td><strong>Vibrant Retail Precincts</strong>  &lt;br&gt;Flagship developments such as Parramatta Square, the Riverbank Precinct and Civic Link will create bold new retail precincts accommodating new entrants to the Parramatta retail scene. These developments will be catalysts for renewal of street front retail throughout Parramatta CBD.</td>
</tr>
</tbody>
</table>
As is today, Parramatta CBD is already in an enviable position as a major retail destination.

Parramatta CBD has an estimated 200,000 m² retail floorspace.

- **2nd** largest CBD in Sydney: 53,500 workers each day
- **7th** largest CBD in Australia: 12,500 residents

Parramatta has a rich cultural history

Parramatta CBD grew from a site of the early colony to become a regional centre in the 1950s and 1960s.

Work commenced on Parramatta’s first shopping arcade in 1925 and by 1938 Parramatta was proclaimed a city. David Jones’ first suburban store was opened in Parramatta in 1961 and Westfield Parramatta followed in 1975.

After the 1960s Parramatta’s office employment grew, and in the 1980s the ambition to become Sydney’s second CBD was popularised. The relocation of government departments and the growth of Church Street’s night time economy has occurred in the last 25 years.

Parramatta’s retail character is different to other large-scale suburban shopping locations in Sydney. It benefits from a diversity of land uses and a CBD streetscape to provide a diverse mix of street retail and laneways as well as a major Westfield shopping centre. The mix of uses, including a strong food and beverage precinct around Church Street help to activate Parramatta CBD during evenings and weekends as well as during office hours.
Parramatta CBD has an extensive retail offer currently focused around the Westfield shopping centre as well as Church Street, George Street and Phillip Street.

Westfield offers strong anchor tenants that contribute to the destinational appeal of Parramatta CBD. These include David Jones and Myer department stores; international fashion brands including Gap, Guess, MJ Bale, Superdry, Uniqlo and Zara. It also includes Event Cinemas and Coles and Woolworths supermarkets and a range of specialty retail and services.

**TODAY’S CBD HAS MANY DRAWCARD RETAILERS**

- GUESS
- MYER
- ZARA
- DAVID JONES
- GAP
- UNIQLO
Elsewhere in Parramatta CBD, the main clusters of retailing include:

- Food and beverage precincts clustered around the northern end of Church Street and Charles Street
- Discretionary retail and services concentrated around the intersection of Church Street and George Street
- Services and smaller shops located throughout the balance of Parramatta CBD often interspersed with commercial uses.

The major retailers are augmented by a growing number of ‘niche’ operators, particularly in the food and beverage sector, contributing to a thriving café culture and fine-grain retail experience. This includes new locally-based retailers and established Sydney favourites which were once exclusive to inner city areas.

The scale of change within Parramatta CBD and the amount of additional spending available over the next ten years means that there are boundless opportunities to further transform Parramatta CBD retail offer to create unforgettable experiences.
EARLY ADAPTORS ARE LEADING THE RENEWAL

Early adapting food and beverage retailers have recently made their home in Parramatta, contributing to the reinvigoration of street-front retailing. New retailers that call Parramatta home include:

**GELATO MESSINA**
Located at 283 Church Street, Gelato Messina has emerged as an inner-city icon since opening its first store in Darlinghurst in 2002. It now has 15 stores nationally and 162,000 Instagram followers.

**JAMIE’S ITALIAN**
Having opened at Centenary Square in 2015, the inclusion of Jamie’s is a major coup for Parramatta. As one of only six Australian outlets, and sixty worldwide, the restaurants have recently been re-acquired by Jamie Oliver himself.

**CIRCA ESPRESSO**
Circa was one of Parramatta’s first boutique coffee and café experience. Since opening in 2011 it has gained a reputation as a high-quality experience in a quirky setting at Wentworth Street.

**PAPER PLANE**
Another quirky café, located at Horwood Place, Paper Plane offers breakfast, brunch and lunch in a contemporary style.

**BOURKE STREET BAKERY**
The Paramatta store is one of 11 Bourke Street Bakery outlets across Sydney. Bourke Street Bakery opened its first café in 2004 and has grown to become a much-loved Sydney staple.

**UNCLE KURT’S**
Recently described as “the hottest place in Parramatta” Uncle Kurt brings small bar style to Horwood Place. It serves cocktails and food from Wednesday to Saturday.
Parramatta is already known as a dynamic and creative regional city thanks to performance venues such as Riverside Theatres, creative production space and the city’s visible and vibrant public art and major event program.

The 2011 Census identified that Parramatta CBD residents as:

**AFFLUENT**
Per capita income levels are 2.3% above the Australian average

**PROFESSIONALS**
32% of the resident workforce are professionals, compared to the Australian average of 21%

**YOUNG AND SKILLED**
The average age is 31 compared to the Australian average of 37.8. 47.9% of Parramatta CBD residents were aged between 20 and 49, compared to 44% across metropolitan Sydney. Some 14% of Parramatta CBD residents hold a post-graduate degree compared to 4% across metropolitan Sydney. The new Western Sydney University Campus at Parramatta Square will be a drawcard for more students and higher educational attainment

**DIVERSE**
71% of residents are overseas born compared to the Australian average of 25%. The highest share of residents born overseas come from India, China, Philippines, South Korea, New Zealand, the United Kingdom and Hong Kong

There are numerous CBD-based cultural events held throughout the year including:
- Weekly farmers market
- Sydney Festival
- Tropfest
- Sydney Writer’s Festival
- Winterlight
- Kidtopia
- Burramatta Family Day
- Parramatta Day
- Loy Krathong (Thai Festival)
- Arab Film Festival
- Lunar New Year
- Australia Day
- Parramasala – Festival of South Asian Arts
- Parramatta Lanes (part of Sydney’s Good Food Week).
PARRAMATTA PARK
World heritage listed park with historic links to the first European settlers. Includes playgrounds, open space, heritage buildings and events space.

PARRAMATTA STADIUM
Is home to the Parramatta Eels and Western Sydney. The stadium is currently being redeveloped to increase its capacity to 30,000 to meet the needs of a growing market.

RIVERSIDE THEATRES
The centre of performing arts in Parramatta offering a regular mix of theatre, comedy, dance and music.

CINEMA
Event Cinema at Westfield includes 11 screens, gold class and Vmax facilities.

HERITAGE
As Australia’s first viable colonial settlement, and the second township to be laid out in New South Wales, Parramatta has a wealth of surviving European and Aboriginal heritage buildings and places.
Development in Parramatta CBD is adding jobs and workers which will stimulate demand for more diverse retailing.

- **More jobs are on the way.** Current development and amendments to CBD planning controls could result in **40% more jobs** in Parramatta CBD by 2026.4.

- **Employment density will increase** and push Parramatta above Chatswood and still higher than current employment density levels in Adelaide and Perth.5.

- Parramatta CBD already has **more residents** than Chatswood and Brisbane. By 2026 Parramatta CBD will have more residents than all existing Australian CBDs other than Melbourne.6.

---

**PARRAMATTA CBD IS STRONGLY POSITIONED RELATIVE TO OTHER BUSINESS CENTRES**

**PARRAMATTA CBD JOBS 2016-26**

- 2016: 53,500 jobs
- 2026: 75,700 jobs

More residents in Parramatta CBD in 2026 than Sydney CBD today

- Parramatta CBD 2016: 53,500 jobs
- Sydney CBD 2016: 75,700 jobs
Parramatta CBD is also one of the largest business centres in Australia. It’s already the seventh largest CBD market in Australia in terms of office floorspace and has the lowest vacancy rate out of all its competitors.

Parramatta CBD is already home to several major corporations and institutions including:

- AON
- GE Money
- Dyldam
- Western Sydney University
- Commonwealth Bank
- NSW Department of Justice
- Scentre Group
- KPMG
- Sydney Water
- NSW Police Force
- Deloitte

Prepared by Urbis
MAJOR POPULATION AND EMPLOYMENT GROWTH WILL DRIVE SPENDING.

Over the next 10 years Parramatta CBD will have many more residents and workers to cater for.

Parramatta CBD is the geographic centre of metropolitan Sydney and is undergoing major population and employment growth. Residential and commercial development is transforming Parramatta CBD, resulting in a growing population and worker base.

Population projections also indicate major population growth in Western Sydney which will drive demand for enhanced retailing.

An additional 433,000 people will live in Western Sydney by 2026, taking the population to 2.67 million.

The Parramatta CBD is projected to add 14,500 new residents over the same period, growing to reach 27,000 by 2026.
Major corporations are making the decision to locate in Parramatta.

- National Australia Bank has recently secured a 12-year lease to occupy 40,000 m² of floorspace at Parramatta Square
- PwC are opening a new Parramatta office at Parramatta Square in 2017.

The number of jobs within Parramatta CBD is expected to increase substantially. The NSW Department of Education and Department of Planning and Environment will collectively create around 4,500 new jobs in Parramatta CBD by 2021 through the relocation of key government offices.

City of Parramatta Council has proposed amendments to its current planning controls that would facilitate more commercial floorspace in Parramatta CBD with an estimated 48,800 additional jobs to be created between 2011 and 2036.

Applying this growth annually to existing estimates of employment suggests that Parramatta CBD could accommodate 64,500 jobs by 2021 and 75,700 jobs by 2026. This would be an extra 22,200 jobs between 2016-26.

**PwC WHY PARRAMATTA?**

In 2017, PwC will move 200 staff to 1 Parramatta Square to cement the company’s commitment to greater Western Sydney.

Why move to Parramatta?

“Parramatta is appealing to employees, not just for the work PwC does in Western Sydney but also for the great city atmosphere of downtown Parramatta.

An investment boom will mean a leap in economic growth from 2.4% per annum to 4.6% per annum over the next five years. Parramatta will be a $30 billion economy (in Gross Regional Product) with $66 billion in turnover.

Parramatta’s infrastructure pipeline, including a light rail network, a redeveloped stadium for Parramatta and the new Museum of Applied Arts and Science (Powerhouse Museum) was also a major attractor for PwC.

Better transport, improved public spaces, more cultural institutions, the orientation of the economy to higher value industries and better jobs, and the boosting of residential capacity in close proximity to employment zones are setting the scene for a big future ahead.

Parramatta has what communities need to flourish: People, jobs, community, retail, infrastructure and transport”.

Benefits of moving to Parramatta:

"PwC can be closer to Western Sydney clients and many employees can be closer to their home office".

Joseph Carrozzi, Managing Partner, Sydney
The 2017 opening of the new University of Western Sydney campus at One Parramatta Square will increase the number of students in Parramatta CBD resulting in a more youthful, dynamic atmosphere. Between 6,500-7,000 students per week, will be on the campus initially, including a mix of undergraduate and postgraduates.

Students are experimental and highly networked. They set and follow trends. Students will expect access to the same fine-grain shopping and food and beverage experiences that are accessible in hip urban areas such as Newtown, Camperdown, Chippendale and Glebe.
New Visitor accommodation choices are consistent with a modern city.

Parramatta will offer a range of options in the future from high rise serviced apartments and hotel rooms to expansion of current operators.

There are currently five hotels, as well as serviced apartments in Parramatta CBD providing almost 1,050 rooms.

New hotel developments will increase options for business travellers and help to redefine Parramatta as a weekend break location.

Improving the hotel offer will make Parramatta a more attractive location for people visiting not only Parramatta CBD, but nearby sports and entertainment precincts including Parramatta Stadium, Sydney Olympic Park and Rosehill Racecourse.

New visitor accommodation developments include:

- **Park Royal** expansion to provide 90 additional rooms
- **Altitude** 266 serviced apartments within the Meriton altitude development
- **41 Great Western Highway** proposed development of a 34-room boutique hotel
- **Aspire Tower** proposed development includes provision for 150-room hotel as well as 700 apartments over 85 floors
- **Wigram Street** development of 169 serviced apartments
- **8 Phillip Street** New hotel proposed as part of redevelopment
- **Parramatta Eels Entertainment Precinct** proposed new 200-room hotel between the Parramatta Stadium and Parramatta Leagues Club.

The development of new hotels and visitor attractions will help to unlock $156 million of visitor spending by 2026, as outlined in the following section.
Retail spending by Western Sydney residents set to increase by more than $12 billion dollars between 2016 and 2026.

Spending growth is driven by a combination of more people and increases in per capita expenditure.

Retail spending by Western Sydney residents is projected to increase by $12.28 billion dollars between 2016 and 2026, to reach $40.37 billion dollars (in constant $2016, including GST)\(^\text{10}\).

<table>
<thead>
<tr>
<th>Year</th>
<th>Spending Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>$28.09 billion</td>
</tr>
<tr>
<td>2026</td>
<td>$40.37 billion</td>
</tr>
</tbody>
</table>

Retail spending by Parramatta CBD residents is projected to increase by $248 million dollars between 2016 and 2026, to reach $415 million dollars (in constant $2016, including GST)\(^\text{10}\).

<table>
<thead>
<tr>
<th>Year</th>
<th>Spending Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>$166 million</td>
</tr>
<tr>
<td>2026</td>
<td>$415 million</td>
</tr>
</tbody>
</table>

This level of spending growth could sustain the equivalent of at least 1.5 new Westfield Parramatta shopping centres being built across Western Sydney each year between 2016 and 2026.

Westfield Parramatta provides 138,000 m\(^2\) gross leasable area, including retail and non-retail space\(^\text{11}\).

As a focal point for investment activity Parramatta CBD is ideally positioned to accommodate demand for new floorspace. This demand is reflected in major new development proposals for Parramatta CBD.

The charts above show that Parramatta CBD resident spending growth will be more concentrated in food retail and food catering compared to the balance of Western Sydney residents.

As well as resident spending, Parramatta CBD workers will also contribute to retail spending in Parramatta CBD during the working day and after work.

Spending by CBD workers could grow from $524 million in 2016 to $904 million by 2026\(^\text{12}\).
Resident and worker spending will also be augmented by increased spend from visitors to the CBD.

Annual overnight visitation to Parramatta CBD from a mix of domestic and international visitors is currently estimated at 301,000 in 2016 and, adopting current trends, could reach 430,000 by 2026\textsuperscript{13}.

Our analysis indicates that these visitors collectively add $115 million in retail sales in 2016 to the Parramatta CBD economy and that this could increase to $175 million by 2026.

An improved hotel and retail offer in the CBD provides scope to significantly increase spend and visitation beyond these estimates.

This would be further augmented by spend from domestic day-visitors to Parramatta CBD.
Parramatta is a priority for government investment. It is one of three great cities identified by the Greater Sydney Commission (GCC), as part of re-imagining Greater Sydney.

Parramatta is at the heart of population growth in Western Sydney. There are already more people living within a 20km radius of Parramatta than there are within a 20km radius of Sydney CBD.

The GCC notes that:

“Greater Sydney will grow from 4.6 million people (in 2016) to 6 million in 2036 and 8 million in 2056 with most of the growth taking place west of Parramatta”

Access to Parramatta CBD retail will become even easier thanks to major transport projects.

**PARRAMATTA LIGHT RAIL**

New light rail service will offer turn up and go services between Carlingford, Strathfield, Sydney Olympic Park, Camelia, the Westmead Health precinct and Parramatta CBD. Construction is expected to start in 2018.

**WESTERN SYDNEY AIRPORT**

The Australian Government has announced that Badgerys Creek will be the site for a Western Sydney Airport. The site is located around 30km to the west of Parramatta CBD, whilst the existing Sydney Airport is located 30 km east of Parramatta. The Western Sydney Airport is expected to open in the mid 2020’s and is planned to act as a catalyst for further jobs growth in Western Sydney.
WEST CONNEX
The largest transport infrastructure project in Australia involves road widening and tunnelling to create a seamless motorway network between Parramatta, Sydney Airport and the M5 motorway. Construction work commenced in 2015.

SYDNEY METRO WEST
Proposed expansion of the new Sydney driverless train metro network which will connect Sydney CBD and Parramatta via Sydney Olympic Park and The Bays Precinct. State Government has identified the need for the project which will complement the existing Western Line and add further rail capacity.
Led by a strong vision and commitment from the public sector to revitalise Parramatta CBD, developers are already on the ground delivering some of the largest urban renewal projects in Australia. These Transformative Projects are a once-in-a-lifetime investment.

In addition to major infrastructure projects, other flagship developments include:

1. **PARRAMATTA SQUARE**
   Parramatta Square is currently transforming three hectares of Parramatta CBD.

2. **WESTFIELD EXPANSION**
   Scentre Group has plans to expand Westfield Parramatta to include an additional 23,000 m² retail floorspace and a 35,000 m² office tower.

3. **MUSEUM OF APPLIED ARTS AND SCIENCE (MAAS)**
   The Museum of Applied Arts and Science (The Powerhouse Museum) will be relocated from Ultimo to a new site on the banks of the Parramatta River, providing 40% more exhibits than the current museum. Construction is expected to commence in 2018.

4. **RIVERBANK PRECINCT**
   Development of new residential and retail space between Parramatta Quay and Kings Quarter will transform as a vibrant cultural precinct that is fully integrated with the rest of Parramatta CBD.

5. **CIVIC LINK**
   Development of a new pedestrian public space and cultural spine connecting the Riverbank Precinct with the rest of Parramatta CBD.

6. **CITY RIVER FOreshore**
   Further revitalisation of the Parramatta River Corridor will include new public recreation facilities and enhanced ferry wharf.

7. **HIGH RISE SCHOOL**
   Redevelopment of the Parramatta Public School and Arthur Phillip High School into a modern vertical school of up to 14 storeys and model for future learning. Expected to be complete by 2019.
WESTMEAD REDEVELOPMENT

Major redevelopment of the Westmead Hospital Precinct (on the edge of Parramatta CBD) will include a range of residential, cultural, sporting, transport and education infrastructure upgrades. This includes works to Parramatta North, Westmead Hospital and the Children’s Hospital at Westmead and Western Sydney University.

WESTERN SYDNEY STADIUM

An upgrade and expansion of the existing Pirtek stadium from 20,000 to 30,000 seats is expected to be complete by 2019.
A UNIQUE BLEND OF CITY SHAPING PROJECTS ARE DRIVING THE CHANGE

There are numerous committed developments and initiatives happening in and around the Parramatta CBD that will create opportunities for an expanded retail and hospitality offer.

RESIDENTIAL

Six major CBD residential tower projects providing a total of 2,060 apartments are currently under construction or at presale stage. These include:

- Meriton’s Altitude
- V By Crown
- Macquarie Towers
- Skyrise
- The Galleria and
- West Village.

Major apartment developments are also under construction just beyond Parramatta CBD including projects by Starryland, JQZ and Toplace. These will add a further 1,150 apartments adjacent to the Riverbank Precinct.
MIXED USE

Commercial developments – A range of commercial office developments are expected to significantly increase overall office floorspace in Parramatta CBD. Proposed developments at 3, 4 and 6 Parramatta Square and 105 Phillip Street will add 232,000 m² floorspace.

Other development proposals include:

- **Greenway Plaza**: Redevelopment of the Greenway Plaza site (202-203 Church Street and 48 Macquarie Street) to include two levels of retail and thirteen levels of commercial office space
- **Parramall**: Redevelopment to provide 22,000 m² residential floorspace and 20,000 m² commercial floorspace within a 43-storey tower
- **Cumberland Media site**: Redevelopment of the Cumberland Media site (142–154 Macquarie Street) to create a 60-storey residential tower as well as separate towers providing 21,000 m² commercial and retail floorspace
- **Riverside Tower**: Proposed development of 41-storey building at 12–14 Phillip Street (next to the current Meriton development) to provide 400 apartments and a discovery centre and conference centre
- **8 Phillip Street**: Proposed 58 storey tower including a new hotel and apartments
- **89 George Street**: Demolition of existing building and construction of a 13 storey A grade office building providing 11,500 m² floorspace
- **87 Church Street**: Redevelopment of the Parramatta Ford site to provide 570 apartments and commercial floorspace.
Retail investment signals are strong

Retail, residential and commercial investment create strong synergies with each other.

Data provided by Knight Frank shows that Parramatta CBD offers favourable rents for prospective retailers:

- In 2016 ‘prime’ CBD gross rents (typically within Parramatta Westfield) range between $1,200 - $2,000 per m². Rents in ‘secondary’ locations (street frontage beyond Westfield) typically range between $600 to $1,200 per m².
- Parramatta CBD retail rents are significantly lower than those within Sydney CBD and Melbourne core retail locations.

For investors, Knight Frank estimate that gross rents in Parramatta CBD (outside of Westfield) could increase by an average of 4% between 2016-2017, consistent with the rate of growth experienced in the preceding year.

The amount of vacant retail floorspace within Parramatta CBD is also projected to decline as urban renewal continues to encourage new retailers to open in Parramatta.

The low rents currently within Parramatta CBD have several benefits:

For investors, it demonstrates that redevelopment of sites to deliver a high-quality product is likely to offer significant upside in terms of the rents that can be achieved.

For retailers, it presents an opportunity to enter the Parramatta market early, prior to the completion of major developments and test the water by taking space within Parramatta CBD at favourable rates. This is particularly advantageous for start-ups and emerging retailers looking for temporary or pop-up space.
As the pace of residential, hotel and serviced apartment and office development increases, the demand for additional ground level retail space to service new workers and residents is likely to rise.

A lot of this new retail space will be constructed in areas which are not currently considered as retail locations, for example the eastern end of Phillip Street, between the Ferry Wharf and Smith Street, Horwood Place, and the northern part of Smith Street between Macquarie and Phillip Streets.

Ground level space in locations such as these are likely to experience strong rental growth over the short to medium term, as they become vibrant pedestrian corridors between ferries, trains, riverfront amenities, and new office, residential and hotel developments.

Other areas such as the northern part of Church Street could see strong investment in retail as the area is transformed by the development of the light rail network.

David Morris,
Managing Director Sydney West,
Knight Frank
OPPORTUNITIES

PARRAMATTA IS CHANGING AND THE CBD IS POISED TO DELIVER A NEW WORLD-CLASS RETAIL EXPERIENCE

Parramatta CBD is finally poised to maximise its location at centre of the metropolitan area and tap into the substantial economic growth forecast for Western Sydney.

For retailers, Parramatta offers the ‘perfect storm’ of market conditions to support new investment. There are exceptional opportunities for retailers to become part of the transformation of Parramatta CBD. The combination of public and private sector investment is shaping Parramatta as the new place to be for retailers and hospitality.

The scale of change within Parramatta CBD and the amount of additional spending available over the next ten years means that there are boundless opportunities to further transform Parramatta CBD retail offer to create an unforgettable experience.

PEOPLE WANT MORE...

Provision of better shopping and food was recently identified as the number one item that would encourage Sydney-siders to spend more time in Parramatta.

Recently, surveyed respondents expressed strong interest in seeing the following types of retailers in Parramatta, most likely indicating a market gap:

- Gourmet food market retailers (e.g. David Jones Food Hall in Sydney CBD, Harris Farm Markets Drummoyne)
- Popular international restaurants (e.g. Din Thai Fung, Ippudo, Tim Ho Wan)
- International homewares and gift retailers (e.g. Georg Jensen, Pottery Barn, Williams-Sonoma)
In terms of desirable experience, and ‘look and feel’, survey respondents selected images of Barangaroo, Central Park (Chippendale) and The District (Chatswood). All precincts are recent examples of large scale urban renewal projects that represent game changers for their respective areas.

Parramatta CBD retail re-imagined - The retail DNA will change driven by opportunities provided in three pivotal city-shaper precincts: Parramatta Square, Riverbank and Civic Link.

To think about the evolution of Parramatta CBD retail it is important to look at trends that have occurred in other Australian Capital Cities.

Australia has undergone a retail renaissance in recent years led by increased interest from international retailers, a thriving food and beverage scene and vibrant Australian designers playing on a global stage.

Spending market growth and transformative projects will provide opportunities to attract new retailers across a range of sectors. To fully maximise the potential of Parramatta CBD a retail ‘hit list’ should include:

- New international fashion brands to complement the existing mix. Stores such as Armani Exchange, Ralph Lauren, Boss, H&M, COS and Scotch & Soda are not yet in Parramatta and would be well aligned with the emerging demographics.
- Vibrant Australian fashion brands (e.g. bassike, Sass & Bide, Camilla, Jac & Jack, Zimmerman) that seek out trendy districts and aspirational customers.
- A dynamic food and beverage sector, drawing on the emerging café and small bar culture and also introducing new signature dining and entertainment experiences. This would include a mix of independent operators as well as established operators from Sydney and interstate (e.g. Merrivale, The Lucas Group).
- Food catering spending growth will support additional food and beverage floorspace. This could ultimately create opportunities to leverage the success of the current ‘eat street precinct’ by providing more food and beverage outlets on Church Street between the existing north and south nodes.
- As well as creating high quality shopping precincts, innovative use of laneways and temporary spaces during construction works should be considered to create student and youth-oriented bars, cafes and shops.
- International electrical and homeware brands (e.g. Apple, Microsoft, Zara Home, West Elm and Williams-Sonoma), seeking out sleek showroom stores targeting the growing and increasingly affluent CBD resident market.

In the longer term, Parramatta should also target luxury brand retailing. Examples such as Bondi Junction, Chatswood and Miranda show that international luxury fashion retailers have an appetite for multiple stores in metropolitan Sydney.
The following factors are therefore likely to shape retailing in Parramatta over the next five and ten years:

<table>
<thead>
<tr>
<th>Factor</th>
<th>Why?</th>
<th>Where?</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>INTERNATIONAL FLAGSHIP FASHION BRANDS</strong></td>
<td>Essential DNA of a modern affluent city, legitimises Parramatta as a true 'city'</td>
<td>Parramatta Square, Westfield and emerging 'premium developments'</td>
</tr>
<tr>
<td><strong>AUSTRALIAN DESIGNER FASHION BRANDS</strong></td>
<td>Synonymous with aspirational non-suburban locations, will help re-shift perception of Parramatta from suburban</td>
<td>Civic Link, Parramatta Square, Westfield</td>
</tr>
<tr>
<td><strong>RIVERFRONT ACTIVATION</strong></td>
<td>Leverage unique asset to provide alternative to commercial face</td>
<td>Riverbank</td>
</tr>
<tr>
<td><strong>FOOD &amp; BEVERAGE RETAILERS</strong></td>
<td>Extends the role of Parramatta CBD, builds the night time economy, encourages dwell time and contributes to the fine grain</td>
<td>Parramatta Square, Civic Link, Riverbank, ‘Eat Street’ extension</td>
</tr>
</tbody>
</table>
NEW SPACES AND PLACES FOR RETAIL TO PROSPER

Over the next five to ten years Parramatta CBD streetscape will be transformed as major developments are completed and new ones commence.

Parramatta is in many ways ahead of the curve in terms of providing a diversified mix of activities to support successful retailing. CBD locations have many of the traits that shopping centre operators are increasingly trying to bring into shopping centres to extend dwell time and spending.

Vibrant retail developments will be underpinned by the growth in Parramatta CBD resident and worker market and can in turn enhance Parramatta’s appeal to the broader Western Sydney population and the visitor market.

Pivotal projects that will transform CBD retailing include:

- Parramatta Square
- The Riverbank Precinct
- The Civic Link between these two areas.
PARRAMATTA SQUARE WILL PROVIDE A WORLD CLASS CIVIC HEART

Walker Corp’s $2 billion Parramatta Square development is transforming Parramatta. It will be a catalyst for new retail development in Parramatta CBD. In addition to providing Sydney’s tallest residential tower, a new home for City of Parramatta Council, Western Sydney University and NAB, the development will also provide 7,000 m² of new retail floorspace. The first stage of the retail is expected to be completed by 2020.

Walker Corp aims to deliver a world-class retail precinct with a diversity of retail and food and beverage options. This is set to include a major three-level food destination, terrace bars, cafes and the opportunity for cafes and fine dining within the square.

Retailing is expected to take cues from the Walker Corp Collins Square development in Melbourne Docklands. Collins Square provides a retail mix that supports workplace dining and gatherings, fresh food shopping, entertainment and after-hours socialising. The tenancy mix and price point is varied to meet the diverse needs of users. This includes:

- Signature restaurants
- A mix of local and national brand cafes and lunchtime eateries
- A range of services including gym, post office, bank, travel agency and child care.

Parramatta Square will be a new gateway to Parramatta CBD, providing direct connections to the train station and light rail and focused around 6,000 m² of open space and gardens.

The building design allows for a mix of terraces and communal spaces to encourage food and beverage retail, as well as larger flagship tenancies (potentially double height) to attract international brands and luxury retailers seeking new premium space.
Sydneysiders love water and grand events, and the Riverbank precinct will be Parramatta’s waterfront stage.

The Riverbank precinct is being imagined as a grand event space anchored by the relocated Museum of Applied Art and Science. Once established the Museum has the potential to draw up to a million visitors a year to Parramatta.

This is Parramatta’s opportunity to create a vibrant waterfront precinct, the equivalent of Darling Harbour or the Southbank developments in Brisbane and Melbourne.

City of Parramatta Council has prepared a development blueprint for the 20,000 square metre precinct that will assist in bringing the river back to life, with a new breed of development that offers world-class creativity and culture at its heart. The blueprint proposes up to 1,200 apartments, 6,000 square metres of retail, and 10,000 square metres of open space.

Successful retailing will respond to the spectacle of the Riverbank – it is likely to be outward looking with a mix of piazzas and dining terraces. This could include a mix of large format bars and dining providing a mix of indoor and outdoor seating.

As well as being a vibrant space during the day time, a successful Riverbank will come alive at night as Parramatta CBD’s playground.

The overall $1.2 billion precinct will be a mixed-use urban development that incorporates flexible public space, residential apartments, heritage, entertainment and cultural space, retail, parking and food & beverage. The open public space and waterfront location are the key defining features of the project.

It will complement Parramatta Square, which is designed to attract world-class businesses to Parramatta CBD. Riverbank will provide an entertainment and cultural space that will be active day and night.

The Riverbank precinct puts the River at the forefront and embraces it as the life source of Parramatta.

The 2.4-hectare site is bounded by Parramatta River to the north, Phillip Street on the south, Wilde Avenue bridge on the east and a residential apartment site currently under construction by Meriton on the west.
CIVIC LINK UNITES THE PARRAMATTA CBD

The proposed development of a Civic Link between Parramatta Square and the Riverbank precinct provides a unique opportunity to re-imaging the city layout and retail provision between these two nodes.

The Civic Link extends for 500 metres across four city blocks in the heart of the Parramatta CBD. It runs along the existing Horwood Place alignment, and will involve the redevelopment of the Horwood Place car park. The Civic Link will be a unifying element that ties together the varied the city fabric. Key objectives of the development include:

- Complement and extend the vibrant street life (day and night) of Church Street
- Create a second activated North-South spine through the heart of the commercial core
- Be addressed by buildings that have active façades and regular entries, with minimal back of house elements facing the Link
- Activate the commercial core beyond 9-5
- Catalyse the upgrade of adjoining commercial spaces, ground floor areas and the redevelopment and renewal of underutilised sites along the Link.

The character, activation and design of the spaces will reflect the changing nature of the city along its length. Pedestrian movements are prioritised. Street frontages will add vibrancy through a mix of active uses at ground floor, articulation of buildings and modulation.

The opportunity to provide a new north-south street through the CBD provides potential to reimagine what CBD street front retail might look like.

Taking cues from places like Central Park, The Streets of Barangaroo and Melbourne's Laneways, the creation of new fine-grain intimate spaces can create excellent opportunities for a range of boutique shops and services. Civic Link can build on the success of ‘early adaptors’ around Horwood Place such as Paper Plane cafe and Uncle Kurt’s to create a new ‘creative corridor’.

This could combine funky cafes with established and emerging Australian designers to deliver a modern precinct with a laneway aesthetic.

This has the potential to create a reinvigorated retail core and enhanced street front activation along Phillip, George and Macquarie Streets and the north-south connections between each.
WHAT WILL PARRAMATTA CBD LOOK LIKE?

Urban

Smart

Authentic experiences
World class retail

Youthful

Fine-grain intimate spaces

Activated day and night
Great retail needs exciting, vibrant precincts. Design excellence creates spaces that people want to visit.

Much as the Melbourne streetscape has been fundamental to that City’s retail experience, the renewal of Parramatta CBD should create unique spaces that help to create a vibrant atmosphere.

Parramatta Square, the Riverbank and the Civic Link are game changing projects that will transform CBD retailing over the next decade.

The flow-on effects should see a transformation of the Macquarie, George and Phillip streetscapes as new developments come on line.

The appearance and retail mix on these streets will evolve and will respond to the future uses above street level, which will include a mix of new office and residential developments.

Across Parramatta CBD building design and public realm should encourage:

- Commitment to design excellence
- Legible layouts, as well as spaces for people to meander and explore
- Ensure that precinct design reflects the needs of future tenants
- Connectivity between activity nodes.

Principles that will drive a successful retail experience in future include:

- Enterprise schemes to attract and support innovative new retailers to establish businesses in Parramatta, important contributors to the energy of a place
- Celebrate the outdoors and embed outdoor experiences into the Parramatta CBD offer
- Create a strong brand to capture the identity and experience of Parramatta and sub-brands to reflect the precincts and different experiences layers
- Encourage authenticity from new retailers, important for creating experiences unique to Parramatta.
Culture is integral to repositioning the CBD

City of Parramatta Council is preparing a Cultural Plan aimed at harnessing the diversity and creativity of the people of the city.

“Driven by culture, Parramatta will be a world-class city known for its diversity and energy, with people, ideas and creativity at its core”

The Cultural Plan is being developed which reflects the current and emerging role of Parramatta CBD.
RETAIL TRANSFORMATION IS HAPPENING
Parramatta’s retail transformation has already started. The completion of Parramatta Square will be the next major milestone and should add a further 7,000 m$^2$ floorspace by 2019.

Development of the Riverbank Precinct and Civic Link, together with the potential expansion of Westfield and mixed use developments including the Cumberland Media site will provide a pipeline of retail floorspace over the next decade in response to market demand.

In the intervening period, new developments within Parramatta CBD will provide more shopfront space at street level and opportunities for new and established retailers to become part of the new Parramatta CBD retail scene.
REFERENCES

1. Parramatta CBD retail floorspace estimate – Source: Parramatta CBD Retail Impact Study March 2013, Marcoplan Dimasi March 2013

2. Gross leasable Area (Retail) – Source: Shopping Centre Council Australia 2016

3. Source: City of Parramatta Council

4. Parramatta CBD employment potential – Source: Urbis, derived from City of Parramatta Council, Parramatta CBD Amendment to Parramatta LEP 2011

5. Parramatta CBD Jobs per Hectare Comparison with other Australian CBDs – Source: Urbis, derived from NSW Bureau of Transport Statistics, City of Parramatta Council Amendment to Parramatta LEP 2011


8. Parramatta CBD and Western Sydney Resident Population Projections – Source: Urbis, .idconsultants, ("Western Sydney" defined as pre-amalgamation LGAs of Auburn, Bankstown, Blacktown, Blue Mountains, Camden, Campbelltown, Fairfield, Hawkesbury, Holroyd, Liverpool, Parramatta, Penrith, Hills Shire, Wollondilly)

9. Western Sydney University Students – Source: Sydney Business Chamber

10. Retail Spending and Spending growth by product Group – Source: Urbis, MarketDataSystems


12. CBD Worker Spend – Source: Urbis, derived from Australian Bureau of Statistics weekly earnings data, BTS employment split and Urbis 2013 Office Worker Survey


© Urbis Pty Ltd
ABN 50 105 256 228
All Rights Reserved.

Disclaimer

This report is dated May 2017 and incorporates information and events up to that date only and excludes any information arising, or event occurring, after that date which may affect the validity of Urbis Pty Ltd’s (Urbis) opinion in this report. Urbis prepared this report on the instructions, and for the benefit only, of Sydney Business Chamber & City of Parramatta Council (Instructing Party) for the purpose of Advice (Purpose) and not for any other purpose or use. To the extent permitted by applicable law, Urbis expressly disclaims all liability, whether direct or indirect, to the Instructing Party which relies or purports to rely on this report for any purpose other than the Purpose, and to any other person which relies or purports to rely on this report for any purpose whatsoever (including the Purpose).

In preparing this report, Urbis was required to make judgements which may be affected by unforeseen future events, the likelihood and effects of which are not capable of precise assessment.

All surveys, forecasts, projections and recommendations contained in or associated with this report are made in good faith and on the basis of information supplied to Urbis at the date of this report, and upon which Urbis relied. Achievement of the projections and budgets set out in this report will depend, among other things, on the actions of others over which Urbis has no control.

In preparing this report, Urbis may rely on or refer to documents in a language other than English, which Urbis may arrange to be translated. Urbis is not responsible for the accuracy or completeness of such translations and disclaims any liability for any statement or opinion made in this report being inaccurate or incomplete arising from such translations.

Whilst Urbis has made all reasonable inquiries it believes necessary in preparing this report, it is not responsible for determining the completeness or accuracy of information provided to it. Urbis (including its officers and personnel) is not liable for any errors or omissions, including in information provided by the Instructing Party or another person or upon which Urbis relies, provided that such errors or omissions are not made by Urbis recklessly or in bad faith.

This report has been prepared with due care and diligence by Urbis and the statements and opinions given by Urbis in this report are given in good faith and in the reasonable belief that they are correct and not misleading, subject to the limitations above.
ABOUT URBIS

Urbis is where the shopping centres of Australia turn for advice.

Urbis has helped clients develop, expand and improve the performance of shopping centres for more than 30 years.

Because of our experience and multidisciplinary know-how, we are where the industry turns for guidance – for research, analysis, advice and development strategies.

Urbis’ work with the retail sector draws on our expertise across the board – from planning and design to community consultation and economics – but all our work is underpinned by our research capability. We know the sector and its drivers better than anyone. We track the changing market forces and consumer trends and we understand the demographics and the global trends.

We advise some of the biggest and highest profile retail centres in the country – from Macquarie Centre to Chadstone – but we work right across the sector, on retail centres of all kinds. We have directors with retail expertise in our offices nationwide and we advise on retail projects across Australia and in Asia and the Middle East.

Our expertise is reflected in our annual publication Urbis Shopping Centre Benchmarks – the industry’s bible since 1992 – which provides a comprehensive set of indicators and benchmarks covering the composition, performance and occupancy rates of Australian shopping centres.

We help our clients improve the shopping experience and respond to rapidly changing shopper demands. We help them prepare for – and shape – the future of Australian shopping.

Urbis staff responsible for this report

<table>
<thead>
<tr>
<th>Role</th>
<th>Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>Director</td>
<td>Princess Ventura</td>
</tr>
<tr>
<td>Associate Director</td>
<td>David Wilcox, Kylie Newcombe</td>
</tr>
<tr>
<td>Consultant</td>
<td>Bruce Yeung</td>
</tr>
</tbody>
</table>